

Proterial positions the thorough pursuit of diversity and inclusion as an important management strategy and is working on various measures.

▶ **Proterial Basic Policy on Diversity Management**

1. We regard differences in gender, nationality, culture, and so forth as unique qualities of the individual, and we ensure diversity through measures such as promoting the career development of women and utilizing global human resources. Such approaches allow us to promote innovation and enhance the flexibility and speed with which we respond to risks and changes.
2. We encourage the growth of the individual, enhance our ability to act as an organization, and reinforce the basis for sustained growth by engaging in active communication and the sharing of values.
3. We aim to become one of the world's top companies in the metal materials sector by designating diversity as a driver of growth, as we transform ourselves into a globally competitive business and challenge ourselves to meet new targets.



▶ **Proterial Action Policy on Diversity Management**

**Cultivate a structure and environment in which all human resources can broaden their potential and play active roles**

Recognizing that human resources are the source of our competitiveness, the Proterial has worked to enhance and strengthen its human resource development program, believing it is important to develop people able to take action at the global level at Proterial. Additionally, in our evaluation system, we are revising our seniority-based pay system and have incorporated diversity management as one of our manager evaluation metrics. We place great importance on the fact that our managers are responsible for providing the employees who report to them with equitable growth opportunities with an understanding of their values, restrictions they face due to life events and other causes, and their backgrounds, and for getting them actively involved in various measures and initiatives.

In addition, we support exchanges among our diverse employees and the realization of diverse careers through human resource exchanges both inside and outside the Proterial, the proactive hiring of experienced personnel, the utilization of the My Challenge internal free agent system which allows employees who want to expand their potential to transfer across business divisions or job categories, and the introduction of leave to allow employees to accompany spouses on overseas assignments.

Proterial is also promoting diversity at the management level. As of June 1, 2023, our 14 executive officers included three foreign national executives. In addition, our Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Executive Officer (CEO), Chief Information Officer (CIO)/Chief Data Officer (CDO), and Chief Transformation Officer (CTrO) were appointed to their roles from outside Proterial in light of their track records and capabilities demonstrated to date, after being selected from a wide range of candidates who were optimal for the roles and responsibilities in question.

**Human Resources as the Source of Competitiveness**

The Proterial, which is moving ahead with global business expansion, recognizes human resources as the source of competitiveness. With this understanding, we will become a company where diverse human resources gather, test their opinions against others' views, and work with enthusiasm and pride.

▶ **Reflecting the Results of Our Survey of Employees into Management Policies**

In aims of becoming a company where employees can work with enthusiasm and pride, we conduct a Survey of Employees each year to measure the percentage of favorable responses given for indicators such as engagement. After reporting the results to top management, the outcomes of discussions with top management are then reflected in improvement measures.

▶ **Human Resource Development Programs**

The Proterial is striving to enhance and strengthen its human resource development programs linking OJT and OFFT, so that employees can develop their expertise, enabling them to actively seek out challenges and take actions to achieve success or solve problems, and to become shining examples for the Company who can make themselves indispensable to their organization.

■ **Nurturing the next generation of human resources**

We identify at an early stage the human resources who will take responsibility for management in the next generation and enhance training programs for them. The training programs include cross-divisional personnel rotations and extra-challenging assignments, as well as OFF-JT which includes external training.

■ **Global recruitment and development of human resources**

As our business rapidly globalizes, we are accelerating efforts at global regional headquarters in Europe, the U.S., China, and the rest of Asia, to employ and cultivate human resources who will be future executive candidates. We are also pushing ahead with the early cultivation of future executive candidates who can play active roles globally, through overseas business training and global training for employees in Japan, active hiring of foreign nationals, including international students, and promotion of locally hired staff at Group companies outside Japan into positions of responsibility.

**Promoting the Participation and Advancement of Women in the Workplace**

After initially holding interviews with women in career-track positions during 2015, Proterial began conducting initiatives to promote the development of careers among women. These initiatives have included holding the Women's Forum at which female employees of Proterial from different workplaces interact, introduce various careers, and discuss issues, dispatching employees to outside training, and actively hiring and promoting women. We also present PAPA APRON to employees who have reviewed the division of housework and childcare duties with their partners to encourage the involvement of men in housework and childcare. Similarly, we have engaged in other activities to raise awareness of unique women's health issues, including holding seminars on women's health.

▶ **Policy on Promoting the Participation and Advancement of Women in the Workplace**

1. Achieved targets for the hiring ratio of women among newly hired graduates (career-track positions)  
Technical positions: 10% or more    Administrative positions: 40% or more
2. Support for retention
  - Career support to eliminate concerns (providing training, opportunities for exchange among women, etc.)
  - Awareness-raising for those in management-level positions
  - Enhancing systems relating to childcare and nursing care, and raising awareness of these
  - Promotion of diverse workstyles through workstyle reform (a work-from-home system, satellite offices, etc.)
3. Promotion measures
  - Achieved the target ratio of women in management-level positions: 5.0% in fiscal 2030
  - Carried out individual development plans and training for selected employees

▶ **Eruboshi Certification:**

**Certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Women's Participation Promotion Act)**

The Eruboshi Certification is awarded by the Minister of Health, Labour and Welfare to companies that formulate and file action plans for the participation and advancement of women and carry out excellent initiatives to execute these plans. Companies are evaluated on a three-level scale, in accordance with the number of evaluation criteria they satisfy. In May 2020, Proterial was certified for Stage 3, having met all evaluation criteria.



**Main initiatives**

- Held the Proterial Young Women's Forum (networking event for employees in career-track positions)
- Survey and analysis of participation by women in Proterial
- Proactively dispatched employees to cross-industry exchange events and external seminars
- Presented PAPA APRON to male employees and the partners of female employees who have reviewed the division of housework and childcare duties with their partners
- Held unconscious bias seminars for those in management positions
- Held seminars on women's health
- Held parent support seminars
- Introduced family support leave (5 days of paid leave)

**Promotion of diverse workstyles**

We believe that it is essential to create an environment where diverse employees can share different values and ideas, pursue highly productive workstyles and approaches to their jobs, and realize a sense of fulfillment and personal growth in their work. Accordingly, we have continued to steadily improve operational efficiency and promote and establish work with no restrictions on time or location by pursuing ICT measures, allowing all employees to have real job satisfaction and feel truly comfortable at work.

In fiscal 2022, the total of annual actual working hours of back-office workers was 2,056, with the paid annual leave uptake rate standing at 74%, representing substantial improvements over the figures for fiscal 2016 (when annual actual working hours stood at 2,245 and the paid annual leave uptake rate at 48%) and highly productive workstyles are being instilled. In this way, the Group is working to instill workstyles with a high level of productivity.

**Main initiatives**

- Promoted satellite offices, mobile work, a work-from-home system, and flex work
- Introduced a work-from-home system that eliminates the need to send employees on remote assignments away from their families by enabling employees to mainly work from home, if they desire
- Set out working hours in visual form and provided workstyle training for managers
- Specified common Companywide rules for email and meetings, and enhanced ICT infrastructure such as filesharing systems and communications tools
- Shared information related to operational improvements such as using RPA and shifting to paperless operations
- Held 1-on-1 meetings

■ **Composition of Workforce (Non-consolidated)**

	Fiscal 2018 (ending March 2019)	Fiscal 2019 (ending March 2020)	Fiscal 2020 (ending March 2021)	Fiscal 2021 (ending March 2022)	Fiscal 2022 (ending March 2023)
Number of employees	7,067	7,022	6,623	5,889	5,754
Male	6,277	6,215	5,826	5,068	4,927
Female	790	807	797	821	827
Ratio of female employees (%)	11.1	11.5	12.0	13.9	14.4
Average age (years)	43.2	43.4	43.4	44.2	44.4
Average service (years)	18.4	18.8	20.1	19.2	19.2
Number of female managers	19	19	19	20	24
Employment ratio of people with disabilities* (%)	2.21	2.26	2.27	2.36	2.42

\* Including special subsidiaries